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STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
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April 13, 2009

TRANSMITTAL MEMORANDUM

RE: Docket No. 2009-0048, Molokai Public Utilities, Inc.

VIA: Mail ☒ Fax ☐ Pages:___ Courier ☐ Hand Delivery ☐ Email ☐

TO:	Phone	Fax	Email
Michael H. Lau, Esq. Yvonne Y. Izu, Esq. Sandra L. Wilhide, Esq. Morihaara Lau & Fong LLP 841 Bishop Street Honolulu, HI 96813 Catherine P. Awakuni Executive Director Department of Commerce and Consumer Affairs Division of Consumer Advocacy P. O. Box 541 Honolulu, HI 96809			
cc: Peter A. Nicholas Molokai Public Utilities, Inc. c/o Molokai Properties Limited 745 Fort Street Mall, Suite 600 Honolulu, HI 96813			
FROM: Michael Azama <i>M. Azama</i> Commission Counsel			

TRANSMITTING:

Originals	Copies	Date	Description
	X	04/11/09	Electronic mail from David Hubka
	X	04/12/09	Electronic mail from Norman W. Rizk, MD
	X	04/13/09	Electronic mail from Stanley and Diane Casacio

TRANSMITTED FOR:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Your Information and Files | <input type="checkbox"/> Your Further Necessary Action |
| <input type="checkbox"/> Your Signature and Return | <input type="checkbox"/> Your Approval |
| <input type="checkbox"/> Your Signature and Forwarding | <input type="checkbox"/> Your Review and Comment |
| <input type="checkbox"/> As Noted Below | <input type="checkbox"/> Per Your Request |
| <input type="checkbox"/> Per Our Conversation | <input type="checkbox"/> SEE REMARKS BELOW |

REMARKS:

Hawaii District Office • 688 Kinoole Street, #106-A, Hilo, Hawaii 96720 • Telephone: (808) 974-4533, Facsimile: (808) 974-4534
Kauai District Office • 3060 Eiwa Street, #302-C, P. O. Box 3078, Lihue, Hawaii 96766 • Telephone: (808) 274-3232, Facsimile: (808) 274-3233
Maui District Office • State Office Building #1, 54 South High Street, #218, Wailuku, Hawaii 96793 • Telephone: (808) 984-8182, Facsimile: (808) 984-8183



dave_hubka@yahoo.com

04/11/2009 12:20 PM

Please respond to
dave_hubka@yahoo.com

To Hawaii.PUC@hawaii.gov,
consumeradvocate@dcca.hawaii.gov
cc WMA Office <wmaoffice@comcast.net>
bcc

Subject Molokai Water Rate Increase

Re: Docket #2009-0048 #2009-0049

To Whom It May Concern,

I am writing as both a concerned individual resident of Molokai and as the President of the Board of Directors property, Paniolo Hale, on the West End of Molokai. We are currently customers of the Molokai Public Utility waste water treatment facility. As such, I am writing in representation of 75 individual condominium owners/tenants who will be affected by this increase. We are not activists or extremists. We are simply ordinary residents of the State of Hawaii who are entitled to certain vital services, one of which is affordable drinking, and fire safety water.

The rate increases being proposed will exact an extreme hardship on us. We strongly advise that efforts be made to correct the scenes being presented in the documentation and even the audited financial disclosures by the Molokai Ranch.

There has been general neglect of this water system for years. Also with declining usage due to the Ranch's own properties of golf course and hotel facilities, which represented a large usage of water, I can assume operational costs now will fall on the smaller total volume usage of the condominiums and residences. In other words, the structure is now to be spread over a very much reduced demand in volume of water. This is a basic problem with volume usage. In normal situations, the usage varies little and the fixed delivery/upkeep cost basis is relatively stable. There was a sudden and dramatic change in usage due to the sudden departure/closure of the Ranch operations. The cost basis did not change to the extreme detriment of the remaining affected individuals on the island.

While I understand that Maui County ownership and management of the system was rejected so far and is probably not an option soon due to the Ranch's neglect to keep the system up to County standards and their unwillingness to address distribution legal issues, were we to be incorporated into the overall Maui County water system, our rates would increase significantly as we would join a very large stable water system and have the opportunity to be represented fairly with all the other Maui County water users.

Given that option is not likely soon or perhaps never, there must be a decision now that would at the least, uphold rate increase limits or, better still, protect us and all the other affected Molokai ratepayers completely from this kind of long term mismanagement, possible wrongdoing, and apparent unwillingness on the part of the requesting authority responsible to the citizens of Molokai either by bringing the system to salable or County standards or standing firm on requirements.

This is a company of demonstrated poor character. They have vandalized and destroyed their own property on the island, been arrogant and stubbornly disrespectful to both the County and the State, been unresponsive to repeated legal requests for directives and clearly demonstrates that they feel they are above the law or can circumvent the law to their own benefit. Let them get away with this.

Please do NOT approve these extortionary and extreme requests. I for one, would prefer to live with porta-pot than to pay these extortionary rates. This company cannot be allowed to hold the State, the County and the city hostage to their threats and extortionary demands. It might be a good thing to just allow the water to be shut off national media attention to Hawaii, the County of Maui and the companies involved would be extreme.

Thank you for your service in these matters,

David Hubka
100 Lio Place
Maunaloa, HI 96770
dave_hubka@yahoo.com



Norman Rizk
<nrizk@stanford.edu>
04/12/2009 12:37 PM

To Hawaii.PUC@hawaii.gov
cc
bcc
Subject Molokai water rates

As a person who owns a home on the West End of Molokai, I want to express my extreme opposition to the proposed raising of water rates once again on the West End of Molokai. The rates there has already TRIPLED in the last two years and now the Molokai Ranch LTD wants to **raise it again by 70%, after just doubling it 8 months ago**. Any set of expenses they send you will include many items that don't belong on the water utility operating statement. **A full investigative audit**, not a simple review, would be required to assess their application. In addition, to those of us on the West End with some familiarity with their operation, it is clear that the Molokai Ranch is not running an efficient operation at all. Clearly the Molokai Ranch has a vested interest in overstating the expense of the operation and has no incentive to run the utility efficiently if you keep letting them raise the rates. Your mandate is to provide oversight, not just consent. We the citizens have already been victimized sufficiently by the lack of oversight during the last two years.

Furthermore, since the Molokai Ranch Ltd has repeatedly said they don't want to run the municipal water supply and are clearly making exorbitant demands as part of this, I think the PUC should insist on Maui County taking over the water system. In addition, infrastructure funds for water are now available, particularly for proposals with a "green component", from the Obama stimulus package- and these could be applied by Maui County to re-develop the water system on Molokai.

For information on the clean water safe water drinking fund:

<http://www.epa.gov/safewater/dwsrf/index.html#Contact>

and

<http://www.epa.gov/water/eparecovery/faq.html#1>

The state also has failed to resolve the problem, even though initially Governor Lingle did try to get Maui Co to help. Key state officials that should help, rather than shrug their shoulders, include:

Hawaii Department of Health Stuart Yamada (808) 586-4258 (808) 586-4351

Stuart.yamada@doh.hawaii.gov

Safe Drinking Water Branch Michael Miyahira (808) 586-4258 (808) 586-4351

Michael.Miyahira@doh.hawaii.gov

Wastewater Branch Kevin Yoshioka (808) 586-4294 (808) 586-4300

Kevin.yoshioka@doh.hawaii.gov

It is time the PUC started representing the citizens of Molokai, rather than just expediently letting the Molokai Ranch raise rates for their own purposes. This is really unacceptable and represents the PUC failing to live up to its charge and mandate of providing protection

for citizens and oversight over municipal water operations. I urge the PUC to convene the responsible parties and come to a resolution of this problem by the County Of Maui taking over the water, with assistance from federal funds for water infrastructure, and with logistical support from the State.

Yours truly,

Norman W. Rizk, MD

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"Stanley Casacio "
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04/13/2009 07:02 AM

Please respond to
"Stanley Casacio"
<scasacio@prodigy.net>

To <Hawaii.PUC@hawaii.gov>

cc

bcc

Subject REf: Moloka'i Ranch

To Members of Hawaii PUC,

I know that any rate increase is usually not well received by the public at large. However; the rate increase requested by the Moloka'i Ranch is not a normal rate increase. In the 6 years we have lived on Moloka'i, we have found the Ranch to have been run by people who manage poorly at best and are down right dishonest at worst. It is clear that to the absentee owners of the Ranch this is pay back time for our Island fighting them from wanting to develop virgin areas of Moloka'i without regards to it's people or the land.

The Ranch had and is consistently not disclosing their true intentions. I believe that a full audit and full disclosure of the Ranch and it's books is the only way to determine if the Ranch is entitled to an increase for water. A true audit may show that all that is needed is new management and a new approach to management of the water system.

I am not aware that the Ranch had never testified during its development zoning that there was a problem with the cost of water to Maunaloa and their proposed 200 homes. They said there was plenty of water at lower rates. What has happened in a year and a half to warrant a unbelievable increase. The only conclusion is the Ranch' desire to destroy Moloka'i for taking on the Ranch's poor development planing.

Again we call for a complete and full audit not only of books but also of the Ranch's management. How can there be a shortage of water now with the Ranch closed, the golf course closed. It would seem that the Ranch has created their own problem and now wants a bailout.

Stanley and Diane Casacio
196 Pohakuloa Road
Maunaloa, Hi 96770